

CULVER/JUDGE



IOWA'S INFRASTRUCTURE INVESTMENT INITIATIVE

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***Economic Recovery by Creating Jobs  
and Rebuilding Iowa's Infrastructure.  
Without Raising Taxes.***

Iowans have met many challenges over the past couple of years. Together, we've faced historic natural disasters like ice storms, tornados and floods. And along with the rest of the nation, we are enduring a historic economic recession.

But as Iowans do, we meet challenges head-on and come out stronger than ever before.

As Iowa faces the current economic challenges, we will work hard to create and retain good jobs. Thanks to Iowa's financial strengths – such as low public debt and a AAA bond rating – we can create *I-JOBS: Iowa's Infrastructure Investment Initiative*.

Proposed by Governor Chet Culver in his 2009 Condition of the State address, I-JOBS will invest up to \$750 million towards our economic recovery, creating jobs by addressing much-needed infrastructure projects across the state.

"Creating I-JOBS will also allow us to build upon the support of federal recovery and disaster funds and, when fully leveraged, this \$750 million investment will lead to billions of dollars of projects to improve our state. So while we're cutting the day-to-day expenditures of state government, we're investing to create jobs, support businesses, and strengthen our economy. And we can do it without raising taxes."

**Governor Chet Culver**

And it can be done while holding the line on taxes.

***Now is the Time for I-JOBS***

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- All of Iowa benefits by leading the way to economic recovery
- Jobs will be created and retained by investing in public infrastructure
- Iowa can better help areas hit hard by the storms of 2008
- I-JOBS requires no increase in taxes, including the gas tax
- The plan makes use of near-historic low tax-exempt interest rates

## How I-JOBS Helps Iowa

I-JOBS is an investment of \$750 million across the state, providing support in the following key areas:

- **\$250 million** for transportation projects, especially road and bridge safety, including \$200 million for roads and bridges and \$50 million to other modes of transportation
- **\$175 million** to complete important projects already scheduled, such as improvements to the Iowa Veterans Home and our Community Colleges
- **\$150 million** for public buildings, disaster relief, mitigation projects, housing and other flood-related infrastructure not covered by FEMA, CDBG or other sources
- **\$100 million** for water quality and waste water improvement projects
- **\$75 million** for local infrastructure, broadband technology, and alternative energy infrastructure

## How I-JOBS is Funded

By using existing revenue, I-JOBS will mean a state economic recovery program can get underway in Iowa with no change or increase in taxes.

Some key points about how the \$750 million plan will be financed include:

### Bonding

Up to three series of 20-year, tax-exempt bonds may be issued. The State Treasurer will then issue state revenue bonds.

### Payment

A pledge of up to \$56 million in gaming revenue, the moral obligation of the State and, if necessary, a pledge of appropriations, will secure the bonds. Payments will be made with existing tax revenues.

### FACTS ABOUT IOWA AND PUBLIC DEBT

Iowa has one of the lowest levels of public debt of any state in the nation. And, Iowa will still be ranked as one of the lowest states in the nation after making this investment in jobs and infrastructure.

Here are the facts:

- Average Per Capita Debt: \$98  
**48<sup>th</sup> in the nation**
- Iowa state government debt: \$292 million  
**46<sup>th</sup> in the nation**
- All public debt in Iowa: \$2.8 billion  
**41<sup>st</sup> in the nation**

*Source: Moody's U.S. Public Finance Report, March 2008*

Iowa is also one of only 11 states in the nation to have a AAA bond rating, the highest credit score for state governments.

*Source: Standard & Poors*

## ***How I-JOBS Works***

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Funds for transportation projects will be distributed by the Iowa Transportation Commission. For the remaining I-JOBS grants, an 11-member Iowa Jobs Board will be appointed to develop rules, review applications and make grant decisions.

Five members of the public will serve on the Board to provide state-wide representation. In addition, the Board will include the Directors of the Iowa Finance Authority, the Department of Economic Development, the Department of Transportation, Iowa Workforce Development, the Rebuild Iowa Office and the Office of Energy Independence.

### **FACTS ABOUT ECONOMIC RECOVERY AND JOBS**

According to the Federal Highway Administration, \$100 million spent on transportation projects supports nearly 2,800 jobs.

If I-JOBS funds are not used within 1 year, the Iowa Jobs Board will re-allocate them. All funds must be expended within 3 years.

The Iowa Finance Authority will provide staff and administrative support for I-JOBS.

## ***How I-JOBS Projects are Selected***

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The criteria to select I-JOBS projects play a critical role in making sure this economic recovery initiative is making the most impact to create jobs, improve infrastructure and benefit all of Iowa. The following criteria will be considered in prioritizing eligible projects across the state:

1. How quickly a project be started and completed
2. Number and quality of jobs created by the project
3. Contribution to the lasting imprint on the State
4. Amount of federal, state and private dollars to be leveraged
5. Ability to fund depreciation costs
6. Contribution to sustainability and energy efficiency
7. Benefit to areas distressed by high unemployment

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